

EXHIBIT A

LAW OFFICES
OF
RHONDA HILL WILSON, P.C.
SUITE 820
TWO PENN CENTER PLAZA
1500 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA 19102

RHONDA HILL WILSON
MEMBER, PA, NJ & NY BARS, OHIO (INACTIVE)
rhwilson@philly.attorney.com

(215) 972-0400
FAX (215) 972-6756
TOLL FREE (800) 519-4006

STEPHANIE V. KING
OF COUNSEL
MEMBER PA BAR

NEW YORK OFFICE:
42 WEST 44TH STREET
SUITE 151
NEW YORK, NY 10036

June 17, 2020

Via Certified Mail
USI Insurance Services, LLC
555 Pleasantville Road
Briarcliff Manor, NY 10510

*Received
JUN 23 2020
Law Department*

RE: Wilson, et al. v. The Hartford, et al.
CCP: 2006022364

Dear Sir/Madam:

Please find enclosed the Complaint filed on June 15, 2020 in the above captioned matter.
Kindly forward to your counsel.

Thank you for your attention in this matter.

Very truly yours,



Rhonda Hill Wilson

RHW/qsp
Enclosure

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SHIP TO:	The Hartford The Hartford Casualty Company Hartford Fire Insurance Company 1 Hartford Plaza Hartford CT 06155-0001	
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Court of Common Pleas of Philadelphia County

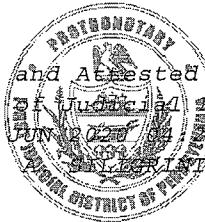
Trial Division

Civil Cover Sheet

			For Prothonotary Use Only (Docket Number)		
			JUNE 2020 E-Filing Number: 2006022364 000877		
PLAINTIFF'S NAME RHONDA HILL WILSON		DEFENDANT'S NAME THE HARTFORD , ALIAS: THE HARTFORD CASUALTY COMPANY			
PLAINTIFF'S ADDRESS 1500 JFK BLVD SUITE 820 PHILADELPHIA PA 19102		DEFENDANT'S ADDRESS ONE HARTFORD PLAZA HARTFORD CT 06155			
PLAINTIFF'S NAME THE LAW OFFICES OF RHONDA HILL WILSON, P.C.		DEFENDANT'S NAME USI INSURANCE SERVICES, LLC			
PLAINTIFF'S ADDRESS 1500 JFK BLVD SUITE 820 PHILADELPHIA PA 19102		DEFENDANT'S ADDRESS 555 PLEASANTVILLE ROAD BRIARCLIFF MANOR NY 10510			
PLAINTIFF'S NAME		DEFENDANT'S NAME USI AFFINITY COLBURN INSURANCE SERVICE			
PLAINTIFF'S ADDRESS		DEFENDANT'S ADDRESS ONE INTERNATIONAL PLAZA DRIVE SUITE 400 PHILADELPHIA PA 19113			
TOTAL NUMBER OF PLAINTIFFS 2	TOTAL NUMBER OF DEFENDANTS 3	COMMENCEMENT OF ACTION <input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Petition Action <input type="checkbox"/> Notice of Appeal <input type="checkbox"/> Writ of Summons <input type="checkbox"/> Transfer From Other Jurisdictions			
AMOUNT IN CONTROVERSY <input type="checkbox"/> \$50,000.00 or less <input checked="" type="checkbox"/> More than \$50,000.00	COURT PROGRAMS <input type="checkbox"/> Arbitration <input type="checkbox"/> Jury <input checked="" type="checkbox"/> Non-Jury <input type="checkbox"/> Other:	<input type="checkbox"/> Mass Tort <input type="checkbox"/> Savings Action <input type="checkbox"/> Petition <input type="checkbox"/> Commerce <input type="checkbox"/> Minor Court Appeal <input type="checkbox"/> Statutory Appeals <input type="checkbox"/> Settlement <input type="checkbox"/> Minors <input type="checkbox"/> W/D/Survival			
CASE TYPE AND CODE 10 - CONTRACTS OTHER					
STATUTORY BASIS FOR CAUSE OF ACTION					
RELATED PENDING CASES (LIST BY CASE CAPTION AND DOCKET NUMBER) FILED PRO PROTHY JUN 15 2020 A. SILIGRINI				IS CASE SUBJECT TO COORDINATION ORDER? YES NO	
TO THE PROTHONOTARY: Kindly enter my appearance on behalf of Plaintiff/Petitioner/Appellant: <u>RHONDA HILL WILSON , THE LAW OFFICES OF RHONDA HILL WILSON, P.C.</u> Papers may be served at the address set forth below.					
NAME OF PLAINTIFF'S/PETITIONER'S/APPELLANT'S ATTORNEY RHONDA HILL WILSON		ADDRESS 1500 J.F.K. BLVD. SUITE 820 PHILADELPHIA PA 19102			
PHONE NUMBER (215) 972-0400	FAX NUMBER (215) 972-6756				
SUPREME COURT IDENTIFICATION NO. 34813		E-MAIL ADDRESS rhwilson@philly-attorney.com			
SIGNATURE OF FILING ATTORNEY OR PARTY RHONDA HILL WILSON		DATE SUBMITTED Monday, June 15, 2020, 04:25 pm			

LAW OFFICE OF RHONDA HILL WILSON, P.C.
BY: Rhonda Hill Wilson, Esquire
Attorney I.D. No. 34813
Two Penn Center Plaza - Suite 820
1500 John F. Kennedy Boulevard
Philadelphia, PA 19102
(215) 972-0400

Filed and Attested by the
Office of Judicial Records
15 JUN 2020 04:25 pm



Attorney for Plaintiffs

Rhonda Hill Wilson, Esquire

and

The Law Office of Rhonda Hill Wilson, P.C.:
Suite 820
1500 John F. Kennedy Boulevard
Philadelphia, PA. 19102

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

Plaintiffs,

June Term, 2020

vs.

No:

The Hartford
Hartford Fire Insurance Company
The Hartford Casualty Company
One Hartford Plaza
Hartford, Connecticut 06155

and

USI Insurance Services, LLC
555 Pleasantville Road
Briarcliff Manor, New York 10510

and

USI Affinity Colburn Insurance Service
One International Plaza Dr, Suite 400
Philadelphia, PA 19113

Defendants.

CIVIL ACTION - COMPLAINT

DECLARATORY, INJUNCTIVE RELIEF AND BREACH OF CONTRACT

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. Your are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE.
IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO
TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND
OUT WHERE YOU CAN GET LEGAL HELP.

PHILADELPHIA BAR ASSOCIATION
1101 Market Street, 11th Floor
Philadelphia, PA 19107-2911

AVISO

"Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias, de plazo al partir de la fecha de la demanda y la notification. Hace falta asentar una comparecencia escrita o en persona o con un abogadaro y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademas, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de este demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATAMENTE.
SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFFICIENTE
DE PAGAR TAL SERVICIO, VAYA EN PERSONA O LLAME PRO
TELEFONO A LA OFICINA CUYA DIRECCION SE ENCUENTRA
ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR

PHILADELPHIA BAR ASSOCIATION
1101 Market Street, 11th Floor
Philadelphia, PA 19107-2911

LAW OFFICE OF RHONDA HILL WILSON, P.C.

BY: Rhonda Hill Wilson, Esquire

Attorney I.D. No. 34813

Two Penn Center Plaza - Suite 820

1500 John F. Kennedy Boulevard

Philadelphia, PA 19102

(215) 972-0400

Attorney for Plaintiffs

Rhonda Hill Wilson, Esquire	:	
and	:	
The Law Office of Rhonda Hill Wilson, P.C.: Suite 820	:	COURT OF COMMON PLEAS PHILADELPHIA COUNTY
1500 John F. Kennedy Boulevard	:	
Philadelphia, PA. 19102	:	
Plaintiffs,	:	June Term, 2020
vs.	:	
The Hartford	:	No:
Hartford Fire Insurance Company	:	
The Hartford Casualty Company	:	
One Hartford Plaza	:	
Hartford, Connecticut 06155	:	
and	:	
USI Insurance Services, LLC	:	
555 Pleasantville Road	:	
Briarcliff Manor, New York 10510	:	
and	:	
USI Affinity Colburn Insurance Service	:	
One International Plaza Dr, Suite 400	:	
Philadelphia, PA 19113	:	
Defendants.	:	
	:	
	:	

**COMPLAINT IN CIVIL ACTION FOR DAMAGES,
DECLARATORY RELIEF AND INJUNCTIVE RELIEF**

Plaintiffs Rhonda Hill Wilson, Esquire and The Law Office of Rhonda Hill Wilson, P.C. file this Complaint against The Hartford Defendants and their agents, the USI Insurance Services LLC and the USI Affinity Colburn Insurance Service, and allege as follows:

1. Plaintiff Rhonda Hill Wilson is an attorney and is the sole owner of the Law Office of Rhonda Hill Wilson, P.C., which at all times relevant hereto was located and operating at Suite 820, Two Penn Center, 1500 John F. Kennedy Boulevard and doing the business of law in the City and County of Philadelphia, Commonwealth of Pennsylvania. The Law Office of Rhonda Hill Wilson, P.C. has been established and doing the business of law since 1994 and Rhonda Hill Wilson has been working at the law firm since that time.

2. The Hartford Defendants in this action are The Hartford, which is a corporation incorporated in the State of Delaware, with its principal place of business located at One Hartford Plaza, Hartford, Connecticut 06115 and the Hartford Casualty Insurance Company, also incorporated in the State of Delaware with its principal office located at 8910 Purdue Road, Indianapolis, Indiana 46268.

3. Defendant USI Insurance Services, LLC is a foreign corporation located at 555 Pleasantville Road, Briarcliff Manor, New York 10510 and is a corporation authorized to do business and/or transact the business and/or sale of insurance products in the Commonwealth of Pennsylvania and the City and County of Philadelphia as a licensed property insurance broker-agents and/or casualty insurance broker-agents of the Hartford Insurance Companies.

4. Defendant USI Affinity Colburn Insurance service is a insurance agency located at

One International Plaza Drive, Suite 400, Philadelphia, Pennsylvania 19113 and is a licensed property insurance broker-agents and casualty insurance broker-agents authorized to do business and/or transact the business and/or sale of insurance products in the Commonwealth of Pennsylvania and the City and County of Philadelphia as a licensed property insurance broker-agents and/or casualty insurance broker-agents of the Hartford Insurance Companies. Hereinafter, USI Affinity Colburn Insurance and USI Insurance Services, LLC are referred to as the USI Defendants.

5. Prior to 2019, Plaintiffs obtained and maintained Spectrum Business Owner's Policy No. 44 SBA TI8966 (the "Policy") from the Hartford Defendants through their agents, the USI Defendants from which included business interruption coverage to protect its business and owner/employees from business losses. Specifically, there was coverage under this policy for the period of June 16, 2019 to June 16, 2020. See Exhibit "A".

6. In breach of the insurance contract and obligations, the USI Defendants and Hartford Defendants took in Plaintiffs' annual premium payments, which Plaintiffs dutifully and regularly paid, and The Hartford Defendants denied Plaintiffs' business loss insurance claims arising from the interruption of Plaintiffs' business caused by the several governmental COVID Closure Orders.

7. The Hartford Defendants denied the Plaintiffs' claims notwithstanding the plain language of the Policy, which provides coverage for such losses.

8. The Policy provides coverage for, inter alia, loss of Business Income and Extra Expense Coverage and includes the following extensions that is coverage for loss due to actions of a Civil Authority, extended business income and coverage for fungi, bacteria and virus.

9. On March 11, 2020, the World Health Organization (WHO) declared the outbreak a global pandemic.

10. According to the WHO: "People can catch COVID-19 from others who have the virus. The disease can spread from person to person through small droplets from the nose or mouth which are spread when a person with COVID-19 coughs or exhales. These droplets land on objects and surfaces around the person. Other people can then catch COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. People can also catch COVID-19 if they breathe in droplets from a person with COVID-19 who coughs out or exhales droplets." Because the Coronavirus that causes COVID-19 is contained in and transmitted by droplets that land indiscriminately on the surfaces of property with potentially fatal consequences, it unquestionably causes physical damage and loss.

11. On March 17, 2020, the New England Journal of Medicine, one of the world's leading peer-reviewed medical journals, published a study that describes severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) (the "Coronavirus"), the official name for the virus that causes COVID-19, as a virus that is transmitted by respiratory droplets that can be suspended in air for several hours. Over time, these droplets containing Coronavirus fall onto and can physically remain on surfaces, such as metal, glass, plastic, and wood, for several days. Persons who touch these surfaces, even days later, may become infected.

12. COVID-19 is a deadly infectious disease caused by the recently discovered Coronavirus known as SARS-CoV-2. It first emerged in or about December 2019. Because this Coronavirus is highly transmissible, it has been and is rapidly spreading throughout the world, including in the Commonwealth of Pennsylvania, the States of New Jersey and New York

13. According to the U.S. Centers for Disease Control and Prevention ("CDC"):
"COVID-19 seems to be spreading easily and sustainably in the community ('community spread')
in many affected geographic areas" in the United States.

14. On or about March 19, 2020, the Law Office of Rhonda Hill Wilson, P.C
was forced to close the office because of a series of orders issued by the Mayor of the City and
County of Philadelphia, the Governor of the Commonwealth of Pennsylvania, the Supreme Court
of Pennsylvania and the President Judge of the Philadelphia Court of Common Pleas ("Closure
Orders"). The Closure Orders prohibited the operation of business that were not life sustaining in
the City and County of Philadelphia and in the Commonwealth of Pennsylvania and the Court of
the Commonwealth of Pennsylvania due to the Corona virus Disease 2019 ("COVID-19")
pandemic. In addition, the functions of the Pennsylvania Court were closed unless there was
emergency business.

15. The Civil Authority provision of the Policy's Special Property Coverage Form
reads, in pertinent part: Civil Authority (1) This insurance is extended to apply to the actual loss
of Business Income you sustain when access to your "scheduled premises" is specifically
prohibited by order of a civil authority as the direct result of a Covered Cause of Loss to property
in the immediate area of your "scheduled premises."

16. There was a direct and actual loss to Plaintiffs as a result of the COVID or Corona
Virus and there was a Covered Cause of Loss to property under the Policy, as the Coronavirus
that was proliferating onto virtually every surface and object in, on, and around the building
located at 1500 John F. Kennedy Boulevard, Philadelphia, Pennsylvania including Suite 820 and
its surrounding environs was then causing, and is continuing to cause, direct physical damage and

loss in and to the immediate area of Plaintiffs premises which are the "scheduled premises."

17. While the Policy was in force, Plaintiffs sustained, and continue to sustain, losses due to the presence of COVID-19 at, in, on, and/or around Plaintiffs' premises described in the Policy.

18. While the Policy was in force, Plaintiffs sustained and continue to sustain, losses due to the presence of COVID-19 on surfaces, furniture, merchandise, and/or other items of physical property located at Plaintiffs' premises described in the Policy and the premises that house the Plaintiffs' office.

19. While the Policy was in force, Plaintiffs sustained, and continue to sustain, losses due to the spread of the COVID-19 in the community (the "Pandemic").

20. While the Policy was in force, Plaintiffs sustained, and continue to sustain, losses due to the civil authority orders issued as set forth by Mayor of the City and County of Philadelphia, the Governor of the Commonwealth of Pennsylvania and the Supreme Court of Pennsylvania.

21. COVID-19 can and does live on and/or remain contagious and active on floors, walls, furniture, desks, tables, chairs, countertops, computer keyboards, touch screens, cardboard packages, clothing, fixtures, mobile phones, iPads, tablets, laptop computers, elevators and other items of physical property for a period of time.

22. COVID-19 can be transmitted by way of human contact with surfaces and items of physical property on which COVID-19 particles are physically present.

23. COVID-19 can be and has been transmitted by human to human contact and interaction at premises.

24. The presence of any COVID-19 particles causes physical harm to property so as to impair its value, usefulness and/or normal function.

25. The presence of COVID-19 renders property physically unsafe and unusable, resulting in the physical loss of the property.

26. The presence of people infected with or carrying COVID-19 particles renders property in their immediate vicinity physically unsafe and unusable, resulting in the physical loss of the property.

27. The State of Colorado issued a Public Health Order indicating that "COVID-19 ... *physically contributes to property loss, contamination, and damage . . .*".

28. The City of New York issued an Emergency Executive Order in response to COVID-19 and the Pandemic, in part "because the virus physically is causing property loss and damage."

29. Broward County, Florida issued an Emergency Order acknowledging that COVID-19 "is physically causing property damage."

30. The State of Washington issued a stay at home Proclamation stating the "COVID-19 pandemic and its progression ... remains a public disaster affecting life, health, [and] property ..".

31. The State of Indiana issued an Executive Order recognizing that COVID-19 has the "propensity to physically impact surfaces and personal property." which is important since Defendant The Hartford Casualty Company is based in Indiana.

32. The City of New Orleans issued an order stating "there is reason to believe that COVID-19 may spread amongst the population by various means of exposure, including the

propensity to attach to surfaces for prolonged period of time, thereby spreading from surface to person and causing property loss and damage in certain circumstances.".

33. The State of Illinois issued an Executive Order describing COVID-19's "propensity to physically impact surfaces and personal property."

34. The State of North Carolina issued a statewide Executive Order in response to the Pandemic not only "to assure adequate protection for lives," but also to "assure adequate protection of... property ."

35. COVID-19 and the Pandemic have caused and continue to cause direct physical loss of and damage to property.

36. It is probable that COVID-19 particles have been present at Plaintiffs' building and premises described in the Policy during the Policy period.

37. It is probable that COVID-19 particles have been present on surfaces, furniture, and other items of physical property located at Plaintiffs' premises described in the Policy during the Policy period.

38. It is probable that people infected with COVID-19 have been present at Plaintiffs' premises described in the Policy during the Policy period.

39. It is probable that people carrying COVID-19 particles on or about their person have been present at Plaintiffs' premises described in the Policy during the Policy period.

40. It is probable that airborne COVID-19 particles have been present at Plaintiffs' premises described in the Policy during the Policy period.

41. Plaintiffs have suffered the direct physical loss of items of physical property located at their premises described in the Policy as the result of the presence of COVID-19

particles and/or the Pandemic and/or the civil authority orders referenced herein and due to the Closure Orders, Plaintiffs have suffered and continue to suffer substantial lost business income and other financial losses.

42. Plaintiff submitted a timely insurance claim(s) to Defendants on or about April 12, 2020.

43. By letter dated the next day, April 13, 2020, the Hartford Defendants advised Plaintiffs, they had had "completed [its] investigation" and denied Plaintiffs coverage under the Policy.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. DEFENDANTS
DECLARATORY JUDGMENT ACT**

COUNT I

44. Plaintiffs incorporate by reference Paragraphs 1-43 as if set forth at length herein.

45. There is a dispute about whether Plaintiffs are entitled to coverage under the Policy for their losses sustained and to be sustained in the future. Accordingly, Plaintiffs are entitled to declaratory relief from this Court.

46 . Plaintiffs are entitled to and demand a declaration pursuant to 42 Pa. C.S.A. § 7531 et seq. that:

- (1) Plaintiffs sustained a direct physical loss of and/or damage to property at its premises described in the Policy as a result of COVID-19 and/or the Pandemic;
- (2) the presence of the COVID-19 virus is a covered cause of loss under the Policy;
- (3) the Pandemic is a covered cause of loss under the Policy;

(4) the losses incurred by Plaintiff as the result of the orders issued by the Mayor of Philadelphia, Governor of Pennsylvania, the Pennsylvania Supreme Court and the President Judge of the Philadelphia Court of Common Pleas are covered losses under the Policy as Orders of Civil Authorities;

(5) Defendants have not and cannot prove the application of any exclusion or limitation to the coverage for Plaintiffs losses alleged herein;

(6) Plaintiffs are entitled to coverage for its past, present and future Business Income loss(es) and Extra Expense resulting from the COVID-19 virus and/or the Pandemic for the time period set forth in the Policy;

(7) Plaintiffs have coverage for any substantially similar civil authority order in the future that limits or restricts access to Plaintiffs' premises; and

(8) any other issue that may arise during the course of litigation that is a proper issue on which to grant declaratory relief.

WHEREFORE, Plaintiffs seek judgment against the Defendants, as set forth above, plus interest, costs, and attorney fees as allowed by law.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE HARTFORD AND USI DEFENDANTS
BREACH OF CONTRACT**

COUNT II

47. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 46 of the Plaintiffs' Complaint as if same were set forth at length herein.

48. At all times relevant hereto, there existed a valid contract by and between

Plaintiffs and the Defendants. See Exhibit "A" Insurance Contract.

49. At all times relevant, Plaintiffs have paid all premiums and performed all its obligations under the Policy.

50. Defendants have a contractual duty to provide Plaintiffs with insurance coverage under specified provisions of the Policy, as alleged by Plaintiffs herein. For monies paid, Plaintiffs were entitled to recover from Defendants losses incurred.

51. As noted above, the Civil Authority provision of the Policy makes clear that "[t]his insurance is extended to apply to the actual loss of Business Income you sustain when access to your 'scheduled premises' is specifically prohibited by order of a civil authority as the direct result of a Covered Cause of Loss to property in the immediate area of your 'scheduled premises.'" Policy, Special Property Coverage Form § A.5.q.

52. Policy also expressly provides coverage to pay for lost business income, regardless of whether the loss was the result of a civil authority order. The Policy states, in pertinent part:

o. Business Income

(1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.

(4) Business Income means the:

* * *

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or physical damage had occurred; and (b) Continuing normal operating expenses incurred, including payroll.

(5) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities
Policy, Special Coverage Property Form § A.5.o.

53. As a result of the March 19, 2020 Orders and the Orders thereafter, Plaintiffs closed their business and filed a claim for business interruption with Hartford. Plaintiffs' claim was denied.

54. Plaintiffs' insurance Policy covers the extraordinary losses experienced by Plaintiffs and its employees during this crisis. The Policy specifically includes "Civil Authority" coverage for business interruptions caused by "order of a civil authority," "Lost Business Income & Extra Expense Coverage," "Extended Business Income" coverage, and "Business Income Extension for Essential Personnel" coverage, as well as "Limited Fungi, Bacteria, Or Virus Coverage."

55. On or about April 12, 2020, Plaintiffs filed a claim with Hartford requesting coverage under the Policy in connection with the lost Business Income due to the Closure Orders and the damage caused by the presence of the Coronavirus in and around the Insured Premises.

56. On April 13, 2020, Hartford issued written correspondence to Plaintiffs stating that it was denying the claim without any inspection or review of the Premises or without regard to the cause of harm to the Plaintiffs.

57. On information and belief, the Hartford Defendants and the USI Defendants accepted the Policy premiums paid by Plaintiffs with no intention of providing any coverage under the Civil Authority and other provisions providing coverage for losses from closure orders issued by civil authorities and from a virus.

58. Failure on the part of the Defendants to pay for the losses sustained by the

Plaintiffs constitutes a breach of contract.

59. Plaintiffs are further entitled to delay damages and interest due to the breach of contract by Defendants, whereby Plaintiffs were entitled to the recovery of benefits due to the COVID pandemic.

WHEREFORE, Plaintiffs demand judgment against Defendants in an amount in excess of \$50,000.00, plus costs, interest, attorney fees, delay damages and such other relief as this Honorable Court may deem appropriate.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE HARTFORD DEFENDANTS**

COUNT III

STATUTORY BAD FAITH CLAIM PURSUANT TO 42 PA. C. S. § 8371

60. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 59 of the Plaintiffs' Complaint as if same were set forth at length herein.

61. At all times relevant hereto, The Hartford Defendants had a duty of good faith and fair dealing towards its insureds, the Plaintiffs.

62. In evaluating the obligations pursuant to the policy in question, the Hartford Defendants have not acted in a fair, timely and diligent fashion and have not acted in good faith.

63. At all times material hereto, the Hartford Defendant breached its duty of good faith and fair dealing towards its insureds.

64. In light of the seriousness of the injuries to Plaintiffs, Defendants have without a reasonable basis and without justification, refused to pay to Plaintiffs on coverage for which the Plaintiffs paid and to which they are entitled.

65. The Hartford Defendants have acted with ill will and refusing to offer any or all coverage.

66. The Hartford Defendants acted with improper motivation, including financial gain, and refusing to offer any or all coverage.

67. According to data from ratings firm A.M. Best Co., the insurance industry as a whole has \$18.4 billion in net reserves for future payouts. But industry trade groups like the American Property Casualty Insurance Association (APCIA) say they do not have the funds to pay out the claims from a pandemic. For the insurance industry, the goal is to generate revenues by charging high premiums for insurance while avoiding paying anything on legitimate claims by small businesses.

68. The actions of the Hartford Defendants the denial of Plaintiffs' claims was willful and/or malicious and made with reckless indifference to the plight of its insureds.

69. In evaluating its obligations and duties under the policy, Defendants have failed to accord the interests of Plaintiffs with the same faithful consideration given its own interests.

70. Defendants lacked a reasonable basis to deny coverage to Plaintiffs and knew or recklessly disregarded its lack of a reasonable basis.

71. Defendants did not investigate the claim or has investigated the claim in bad faith.

72. Accordingly, Plaintiffs are entitled to compensatory and punitive damages under Pennsylvania statutory law, 42 Pa. C. § 8371, under common law and existing case law.

73. On information and belief, the Hartford Defendants rejected Plaintiffs claims in bad faith as part of a policy to limit its losses during this pandemic, notwithstanding that the Policy provides coverage for losses from closure orders issued by civil authorities and from a

virus.

74. Plaintiffs are entitled to an award of punitive damages against Defendants.
75. Plaintiffs are entitled to an award of attorneys fees and costs against Defendants.

WHEREFORE, Plaintiffs demand judgment against Defendants in an amount in excess of \$50,000.00, plus costs, interest, attorney fees, delay damages and such other relief as this Honorable Court may deem appropriate.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE HARTFORD AND USI DEFENDANTS
COUNT IV**

BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

76. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 75 of the Plaintiffs' Complaint as if same were set forth at length herein.

77. When Hartford issued and USI Defendants sold the Spectrum Business Owners Policy, they undertook and were bound to the covenants implied by law that they would deal fairly and in good faith with Plaintiffs, and not to engage in any acts, conduct, or omissions that would impair or diminish the rights and benefits due Plaintiffs, according to the terms of the Policy.

78. Upon information and belief, the Defendants breached the implied covenant of good faith and fair dealing arising out of Policy by, unreasonably and in bad faith, denying Plaintiffs insurance coverage to which they are entitled under the Policy.

79. In committing the above-referenced breach, the Defendants intended to and did vex, damage, annoy, and injure Plaintiffs. Said conduct was intentional, willful, and with conscious disregard of Plaintiffs' rights, and was malicious, oppressive and/or fraudulent.

80. As a direct and proximate result of the above-referenced breach, Plaintiffs have had to retain attorneys to enforce its right to the insurance coverage to which it is entitled under the Policy and has thereby been injured and damaged.

WHEREFORE, Plaintiffs demand judgment against Defendants in an amount in excess of \$50,000.00, plus costs, interest, attorney fees, delay damages and such other relief as this Honorable Court may deem appropriate.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE HARTFORD AND USI DEFENDANTS**

COUNT V

FRAUDULENT MISREPRESENTATION

81. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 80 of the Plaintiffs' Complaint as if same were set forth at length herein.

82. Defendants committed actionable fraud against Plaintiffs by way of affirmative misrepresentations and the concealment of material facts. For example, Defendants affirmatively misrepresented that there was full coverage for business interruption whenever there was a business interruption cause by physical damage.

83. Defendants represented in their advertisements that they provided business income insurance that acts as business interruption coverage or income protection coverage if you cannot open your business for a time.

84. At all relevant times, Defendants knew and concealed from the Plaintiffs that there was a policy that Defendants would not pay any claims during a pandemic or for governmental orders, notwithstanding the express provision for such coverage in the Policy.

85. Defendants made or approved materially false and misleading statements to

Plaintiffs when it sold Plaintiffs the Policy.

86. Defendants made the foregoing false statements and misrepresentations that omitted and concealed material facts despite being aware of their falsity.

87. Plaintiffs reasonably and actually relied on Defendants' misrepresentations and concealments.

88. As a direct and proximate result of such unlawful conduct, Plaintiffs have suffered, and will continue to suffer, damages in an amount to be proven at trial.

89. Defendants' actions were undertaken intentionally and in conscious disregard of Plaintiffs' rights, and were malicious, fraudulent, and oppressive.

90. Plaintiffs are entitled to damages, and they should be awarded exemplary and punitive damages in an appropriate amount to punish Defendants and to deter similar fraudulent conduct in the future.

WHEREFORE, Plaintiffs demand judgment against Defendants in an amount in excess of \$50,000.00, plus costs, interest, attorney fees, delay damages and such other relief as this Honorable Court may deem appropriate.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE HARTFORD DEFENDANTS
AND USI DEFENDANTS**

COUNT VI

UNJUST ENRICHMENT

91. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 90 of the Plaintiffs' Complaint as if same were set forth at length herein.

92. By their deceptive, misleading, bad faith and unlawful conduct alleged herein,

Defendants unjustly received a benefit at the expense of Plaintiffs.

93. It is unjust to allow Defendants to retain the profits from its deceptive, misleading, bad faith and unlawful conduct alleged herein without providing compensation to Plaintiffs.

94. Defendants acted with conscious disregard for the rights of Plaintiffs.

95. Plaintiffs are entitled to restitution of, disgorgement of, and/or the imposition of a constructive trust upon, all profits, benefits, and other compensation obtained by Defendants from its deceptive, misleading, bad faith and unlawful conduct.

96. As a result of Defendants' conduct, as set forth above, Plaintiffs may lose the financial benefit of the amounts that Plaintiffs paid for those portions of the business Policy that were illegal, unfair, or deceptive.

97. By their wrongful acts and omissions, Defendants, and each of them, were unjustly enriched at the expense of and to the detriment of Plaintiffs.

98. Defendants were unjustly enriched through the offering of insurance coverages within the Policy that purport and appear at first glance to provide certain coverages, such as the Limited Virus Coverage, but when read according to their plain meaning, lead to absurd requirements that are impossible to satisfy, such as only covering losses caused by viruses that were created by windstorms, hail, aircraft, falling objects, and other phenomena and events that are incapable of creating a virus.

99. In the event such plain meaning of the Policy is applied (it should not be), it would be against equity to permit Defendants to retain the payments that they received from Plaintiffs for any such aspect of the Policy.

100. It is an illegal, deceptive, unfair, and/or fraudulent business practice to induce

Plaintiffs or any other businesses to purchase insurance coverage that will never cover a loss.

101. As a direct and proximate result of Defendants' conduct, Plaintiffs have been damaged and are entitled to restitution in an amount to be determined.

102. Plaintiffs seek restitution from Defendants and seek an order from this Court disgorging all monies paid to Defendants as a result of the illegal, deceptive, unfair, and/or fraudulent business practices.

103. Plaintiffs have no adequate remedy at law.

WHEREFORE, Plaintiffs demand judgment against Defendants in an amount in excess of \$50,000.00, plus costs, interest, attorney fees, delay damages and such other relief as this Honorable Court may deem appropriate.

**RHONDA HILL WILSON, ESQUIRE and THE LAW OFFICE
OF RHONDA HILL WILSON, P.C. v. THE DEFENDANTS**

COUNT VII

INJUNCTIVE RELIEF

104. Plaintiffs hereby incorporates by reference Plaintiffs' paragraphs 1 through 103 of the Plaintiffs' Complaint as if same were set forth at length herein. .

105. Upon information and belief, Plaintiffs allege that, unless enjoined by order of the Court, Defendants will continue to operate their companies for their sole benefit and to the detriment of Plaintiffs. No adequate remedy exists at law for the injuries alleged herein, and Plaintiffs will suffer great and irreparable injury if Defendants' conduct is not immediately enjoined and restrained.

106. Defendants wrongfully denied Plaintiffs' insurance claim based on erroneous interpretations of the Policy, in order avoid their financial obligations to Plaintiffs thereunder.

107. Given the likely extended time period of the regional presence of the Coronavirus and COVID-19 cases, such as the Court of Common Pleas of Philadelphia County likely closure to the public until September 2020 and the likely continued effect of the Closure Orders, Plaintiffs will almost certainly have similar insurance claims in the future, and Defendants will almost certainly apply the same or similar erroneous interpretations of the Policy to wrongfully deny coverage.

108. If Defendants' conduct in this manner is not restrained and enjoined, Plaintiffs will suffer great and irreparable harm, as it has already paid for the Policy in full, and Defendants seem committed to continuing their unfair and unlawful business practices of erroneously denying Plaintiffs' claims.

109. Defendants will continue to act in their own self-interest and to commit the acts that have damaged Plaintiffs, and that continue to do so.

110. Plaintiffs have no adequate remedy at law for the threatened injury.

WHEREFORE, Plaintiffs demand judgment in their favor in an amount in excess of \$50,000, plus injunctive relief interest, costs, attorneys' fees, delay damages, punitive damages and such other relief as this Honorable Court may deem appropriate.

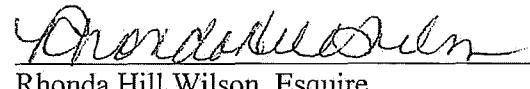
Dated: June 15, 2020


Rhonda Hill Wilson, Esquire
Attorney ID #: 34813

VERIFICATION

I, Rhonda Hill Wilson, Esquire, hereby verify that the statements made in the foregoing pleading are true and correct to the best of my knowledge, information and belief. The undersigned understands that the statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsifications to authorities.

Date: June 15 , 2020



Rhonda Hill Wilson, Esquire

PROTHONOTARY
FILED AND INDEXED
OFFICE OF THE JUDICIAL RECORDS
15 JUN 2006 10:15 PM
PROBATE DISTRICT OF CALIFORNIA

EXHIBIT A

Prepare. Protect. Prevail.



April 20, 2020

Re: Insured: LAW OFFICE OF RHONDA HILL WILSON PC
Policy Number: 44 SBA T18966
Policy Term: 6/16/2019 – 6/16/2020
Writing Company: Hartford Casualty Insurance Company

This will verify that, to the best of the undersigned's knowledge, the attached is a complete and accurate representation of insurance policy referenced above. Documents and/or information produced herewith are kept and maintained in the ordinary course of business.



Peyton Dziura
Operations Support Specialist
Clinton Business Center
Hartford Office Location

301 Woods Park Dr.
Clinton, NY 13323
Toll Free: 888-525-2652
Fax: 866-809-1178

Case ID: 200600877

RHONDA HILL WILSON, ESQUIRE

1500 JOHN F KENNEDY BLVD STE 820
PHILADELPHIA PA 19102



Policy Number: 44 SBA TI8966

Renewal Date: 06/16/19

Thank you for being a loyal customer of The Hartford.

1: Your Hartford Policy

Enclosed are renewal documents for your policy, which is scheduled to renew on 06/16/19. Along with a new Declarations Page, which details the coverages provided by your policy, we are enclosing important policy documents. Please be aware that you will receive an invoice separately for this new policy term approximately 30 days prior to the renewal date; no action is required now.

To ensure the premium you paid for this past policy term was accurate, we may contact you by letter, phone or email to conduct a premium audit. If contacted, we will advise what information is needed to complete the audit.

2: Your Business Insurance Coverage Checkup

Now is a great time to complete a business insurance coverage checkup with a Hartford Insurance Professional. Because you wear so many hats each day, you may not be thinking about how changes to your business can impact the type and amount of insurance coverage needed to protect it.

Together we will evaluate how your needs may have changed over the past year. Examples include:

- Has your mailing address and/or the physical location of your business changed?
- Has there been any increase/decrease in the amount of business property/equipment you own?
- Has there been any increase/decrease in your company's payroll or sales?
- Have you added or eliminated any vehicles used in your business operations?
- Are the bill plan and deductible on your policy right for your business?

During the review we may make coverage recommendations, provide peace of mind solutions, and possibly reduce your costs. Here is all you need to do:

- Call toll free (866) 467-8730, and select our renewal review service option any weekday from 7 A.M. to 7 P.M. CST and request your business insurance check-up.
- To best serve you, please have your Policy Number or Account Number and a Copy of your current Renewal Policy in hand when you call.

3: Servicing Your Needs

To login or register for our Online Business Service Center, go to www.thehartford.com/servicecenter where any time, day or night you can:

- Pay your bill, view payment history and enroll in Auto Pay
- Request Auto ID Cards and Certificates of Insurance
- View electronic copies of billing and policy documents and sign up for paperless delivery

4: If You've Had A Loss or Accident... Report It Immediately

We want to help! Contact us as quickly as possible at 1-800-327-3636.

- Representatives are available 24-7 to assist in helping you recover from your loss.

On behalf of USI INSURANCE SERVICES LLC/PHS and The Hartford, we appreciate the opportunity to have been of service to you this past year and look forward to serving your business insurance needs for the upcoming year.

Sincerely,
Your Hartford Team

Spectrum®

Business Owner's Policy





PRODUCER COMPENSATION NOTICE

You can review and obtain information on The Hartford's producer compensation practices at www.TheHartford.com or at 1-800-592-5717.

D. Cap On Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

E. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy.

F. All other terms and conditions remain the same.



PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related incident to the application for, issuance, renewal or continuation of, a policy of insurance.

1. surveys;
2. consultation or advice; or
3. inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act of omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. if the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. to consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. if any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 44 SBA TI8966

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

Location: 001 Building: 001

1500 JOHN F KENNEDY BLVD STE 820
PHILADELPHIA PA 19102**Description of Business:**

LAWYERS & LAW FIRMS

Deductible: \$ 250 PER OCCURRENCE

BUILDING AND BUSINESS PERSONAL PROPERTY LIMITS OF INSURANCE**BUILDING**

NO COVERAGE

BUSINESS PERSONAL PROPERTY

REPLACEMENT COST \$ 69,000

PERSONAL PROPERTY OF OTHERS

REPLACEMENT COST NO COVERAGE

MONEY AND SECURITIESINSIDE THE PREMISES \$ 10,000
OUTSIDE THE PREMISES \$ 5,000

LOSS PAYEE: APPLIES

SPECTRUM POLICY DECLARATIONS (Continued)
POLICY NUMBER: 44 SBA TI8966

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE
TO ALL LOCATIONS**

BUSINESS INCOME AND EXTRA EXPENSE
COVERAGE 12 MONTHS ACTUAL LOSS SUSTAINED
COVERAGE INCLUDES THE FOLLOWING
COVERAGE EXTENSIONS:

ACTION OF CIVIL AUTHORITY: 30 DAYS
EXTENDED BUSINESS INCOME: 30 CONSECUTIVE DAYS

VALUABLE PAPERS AND RECORDS \$ 15,000
FORM SS 04 47

EQUIPMENT BREAKDOWN COVERAGE
COVERAGE FOR DIRECT PHYSICAL LOSS
DUE TO:
MECHANICAL BREAKDOWN,
ARTIFICIALLY GENERATED CURRENT
AND STEAM EXPLOSION

THIS ADDITIONAL COVERAGE INCLUDES
THE FOLLOWING EXTENSIONS

HAZARDOUS SUBSTANCES \$ 50,000
EXPEDITING EXPENSES \$ 50,000

MECHANICAL BREAKDOWN COVERAGE ONLY
APPLIES WHEN BUILDING OR BUSINESS
PERSONAL PROPERTY IS SELECTED ON
THE POLICY

IDENTITY RECOVERY COVERAGE \$ 15,000
FORM SS 41 12

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 44 SBA TI8966

LOSS PAYEE :
FORM SS 12 12

CANON FINANCIAL SERVICES
C/O PREMIER LEASE & LOAN SERVICES
15325 SE 30TH PLACE, SUITE 100
BELLEVUE, WA. 98007
COPIER CANON

PROPERTY:

Form Numbers of Forms and Endorsements that apply:

SS 00 01 03 14	SS 00 05 12 06	SS 00 07 07 05	SS 00 08 04 05
SS 00 64 09 16	SS 84 01 09 07	SS 01 25 07 08	SS 89 93 07 16
SS 00 60 09 15	SS 00 61 09 15	SS 04 08 09 07	SS 04 19 07 05
SS 04 22 07 05	SS 04 30 07 05	SS 04 38 09 09	SS 04 39 07 05
SS 04 41 03 18	SS 04 42 03 17	SS 04 44 07 05	SS 04 45 07 05
SS 04 46 09 14	SS 04 47 04 09	SS 04 80 03 00	SS 04 86 03 00
SS 40 18 07 05	SS 40 93 07 05	SS 41 12 12 17	SS 41 51 10 09
SS 41 63 06 11	IH 10 01 09 86	SS 05 47 09 15	SS 50 19 01 15
SS 50 38 10 03	SS 51 10 03 17	SS 51 11 03 17	SS 12 12 03 92
IH 99 40 04 09	IH 99 41 04 09	SS 83 76 01 15	
IH 12 00 11 85 ADDITIONAL INSURED - LEASED EQUIPMENT			
IH 12 00 11 85 ADDITIONAL INSURED - MANAGER/LESSOR			

The following changes apply only if Business Income and Extra Expense are covered under this policy. The Limits of Insurance for the following Business Income and Extra Expense Coverages are in addition to any other Limit of Insurance provided under this policy:

Coverage	Limit
Business Income Extension for Off-Premises Utility Services	\$ 25,000
Business Income Extension for Web Sites	\$ 10,000/7 days
Business Income from Dependent Properties	\$ 25,000

The following Limit of Insurance for the following Business Income Coverage is a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:

Coverage	Limit
Extended Business Income	60 Days

The following changes apply to Loss Payment Conditions:

Coverage	Limit
Valuation Changes	
Commodity Stock	Included
"Finished Stock"	Included
Mercantile Stock - Sold	Included

QUICK REFERENCE - SPECTRUM POLICY

DECLARATIONS and COMMON POLICY CONDITIONS

I. DECLARATIONS

Named Insured and Mailing Address

Policy Period

Description and Business Location

Coverages and Limits of Insurance

II. COMMON POLICY CONDITIONS

Beginning on Page

A. Cancellation	1
B. Changes	1
C. Concealment, Misrepresentation Or Fraud	2
D. Examination Of Your Books And Records	2
E. Inspections And Surveys	2
F. Insurance Under Two Or More Coverages	2
G. Liberalization	2
H. Other Insurance - Property Coverage	2
I. Premiums	2
J. Transfer Of Rights Of Recovery Against Others To Us	2
K. Transfer Of Your Rights And Duties Under This Policy	3
L. Premium Audit	3

COMMON POLICY CONDITIONS

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to the policy at any time during the policy period and up to three years afterward.

E. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of any person. And we do not represent or warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance - Property Coverage

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. If applicable, on each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2, above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Changes in exposures or changes in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Transfer Of Rights Of Recovery Against Others To Us

Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or

SPECIAL PROPERTY COVERAGE FORM



SPECIAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the SECTION G - PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises" in this policy) caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations:

- a. **Buildings**, meaning only building(s) and structure(s) described in the Declarations, including:
 - (1) Completed additions;
 - (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
 - (3) Outdoor fixtures;
 - (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
 - (5) Building Glass, meaning glass that is part of a building or structure;
 - (6) Personal property owned by you that is used to maintain or service the buildings or structures on the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
 - (7) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "scheduled premises", used for making additions, alterations or repairs to the buildings or structures.

- b. **Business Personal Property** located in or on the building(s) described in the Declarations at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", including:
 - (1) Property you own that is used in your business;
 - (2) Tools and equipment owned by your employees, which are used in your business operations;
 - (3) Property of others that is in your care, custody or control;
 - (4) "Tenant Improvements and Betterments"; and
 - (5) Leased personal property for which you have contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. Automobiles held for sale;
- c. "Money", bullion, numismatic and philatelic property and bank notes or "securities" except as provided in any Additional Coverages or Optional Coverages. Lottery tickets held for sale and postage stamps in current use and having face value are not "securities".
- d. Contraband, or property in the course of illegal transportation or trade;

SPECIAL PROPERTY COVERAGE FORM

5. Additional Coverages

a. Collapse

(1) With respect to Buildings:

- (a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building cannot be occupied for its intended purpose;
- (b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- (d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

(2) We will pay for direct physical loss or physical damage caused by or resulting from risks of collapse of a building or any part of a building that is insured by this policy caused only by one or more of the following:

- (a) "Specified cause of loss" or breakage of building glass, if such loss or breakage was covered by this policy;
- (b) Decay that is hidden from view, unless the presence of such decay was known to an insured prior to collapse;
- (c) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof; and
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the Causes of Loss listed in Paragraph (2)(a), (2)(d), and (2)(e).

- (3) If the collapse is caused by a Covered Cause of Loss listed in Paragraphs (2)(b) through (2)(f), we will pay for direct physical loss of or physical damage to the property listed below, but only if such physical loss or physical damage is a direct result of the collapse of a building insured under this policy, and the property is properly covered under this policy:
 - (a) Awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.
- (4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if
 - (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
 - (b) The personal property which collapses is inside a building; and
 - (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (5) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.

SPECIAL PROPERTY COVERAGE FORM

(a) Hazardous Substances

We will pay in any one occurrence for the additional cost, not to exceed \$50,000, to repair or replace Covered Property because of contamination by a hazardous substance. This includes the expenses to clean up or dispose of such property. Hazardous substance means any substance that is hazardous to human health or that has been declared by a government agency to be hazardous to human health.

Additional cost in this extension means those beyond what would have been required had no hazardous substance been involved.

This limit is part of and not in addition to the Limits of Insurance for Covered Property.

(b) Expediting Expenses

With respect to your damaged Covered Property, we will pay in any one occurrence, up to \$50,000, for the reasonable and necessary additional expenses you incur to:

- (i) Make temporary repairs; or
- (ii) Expedite permanent repairs or permanent replacement.

(c) Defense

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control directly caused by Equipment Breakdown we will either:

- (i) Settle the claim or "suit"; or
- (ii) Defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

(d) Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- (i) All expenses we incur;
- (ii) The cost of bonds to release attachments, but only for bond

amounts within the Limit of Insurance. We do not have to furnish these bonds;

- (iii) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$100 a day because of time off from work;
- (iv) All costs taxed against you in any "suit" we defend;
- (v) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- (vi) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance shown in the Declarations.

(e) Business Income and Extra Expense Extension

The Business Income and Extra Expense Additional Coverages are extended to provide coverage for a tenant who has a loss of income from the lack of heating, cooling or power as a result of equipment breakdown to mechanical, electrical or pressure equipment of the building owner.

- (f) If Equipment Breakdown Property requires replacement due to an Equipment Breakdown Accident, we will pay your additional cost to replace it with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with property of

SPECIAL PROPERTY COVERAGE FORM

at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the "scheduled premises", or in transit between any of these places, resulting directly from:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

(2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money"-operated device unless a continuous recording instrument in the device records the amount of "money" deposited in the "money"-operated device.

(3) The most we will pay for loss in any one occurrence is:

- (a) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (i) In or on the "scheduled premises"; or
 - (ii) Within a bank or savings institution; and
- (b) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

(4) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence.

(5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

j. Ordinance or Law

(1) If a Covered Cause of Loss occurs to covered Building property, we will pay on a "scheduled premises" any of the following costs that are caused by enforcement of an ordinance or law:

Undamaged Part

- (a) For loss to the undamaged portion of the Building that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss provided that any such ordinance or law resulting in this type of loss:
 - (i) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "scheduled premises"; and
 - (ii) Is in force at the time of the loss.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

Demolition Cost

- (b) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

Increased Cost of Construction

- (c) The increased cost to repair, rebuild or reconstruct the covered property, caused by enforcement of a building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

"Tenants Improvements and Betterment"

- (d) The increased cost to repair, rebuild or reconstruct "tenant's improvements and betterments" caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay in any one occurrence for this coverage is \$25,000 as a Limit of Insurance.

(2) Additional Exclusions

We will not pay under this Additional Coverage for:

- (a) The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or

SPECIAL PROPERTY COVERAGE FORM

- (i) Until the property is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacements are made as soon as reasonably possible after the physical loss or physical damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the lesser of:
 - (i) The increased cost of construction at the same premises; or
 - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).
- (c) If the ordinance or law requires relocation to another premises, the most we will pay is the lesser of:
 - (i) The Increased Cost of Construction at the new premises; or
 - (ii) The applicable Increased Cost of Construction Limit of Insurance stated in Paragraph A.5.j.(1)(c).

k. "Pollutants and Contaminants" Clean Up and Removal

We will pay your expense to extract "pollutants and contaminants" from land or water at the "scheduled premises" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants and contaminants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or physical damage; or
- (2) The end of the policy period.

The most we will pay in any one occurrence for each location under this Additional Coverage is \$15,000 for the sum of all such expenses arising out of Covered Causes of Loss.

I. Preservation of Property

If it is necessary to move Covered Property from the "scheduled premises" to preserve it from direct physical loss or physical damage by a Covered Cause of Loss, we will pay for any direct physical loss or physical damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the direct physical loss or physical damage occurs within 45 days after the property is first moved.

m. Theft Damage to Building

This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for physical loss or physical damage to the building you lease, rent, or occupy that is caused by or results from "theft", burglary or robbery.

We will pay for direct physical loss or physical damage directly resulting from "theft", burglary or robbery (except loss by fire or explosion) to a building:

- (1) You occupy, including personal property that is used to maintain or service the building; or
- (2) Containing covered personal property if you are legally liable for such physical loss or physical damage.

But we will not pay for such physical loss or physical damage to property that is away from the "scheduled premises".

n. Water Damage, Other Liquid, Powder or Molten Material Damage

If direct physical loss or physical damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the direct physical loss or physical damage except as provided in paragraph A.5.c., Equipment Breakdown of this coverage form. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or

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(ii) To research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage o., Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or physical damage. This Additional Coverage is not subject to the Limits of Insurance.

(4) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That part or all of the "scheduled premises" is rendered untenantable as a result of a Covered Cause of Loss if coverage for Extra Expense applies to the policy.

(5) Limitation

This Extra Expense Coverage does not apply to:

- (a) Any deficiencies in insuring building or business personal property; or
- (b) Any expense related to any recall of products you manufacture, handle or distribute.

q. Civil Authority

- (1) This insurance is extended to apply to the actual loss of Business Income you sustain when access to your "scheduled premises" is specifically prohibited by order of a civil authority as the direct result of a Covered Cause of Loss to property in the immediate area of your "scheduled premises".
- (2) The coverage for Business Income will begin 72 hours after the order of a civil authority and coverage will end at the earlier of:

- (a) When access is permitted to your "scheduled premises"; or
- (b) 30 consecutive days after the order of the civil authority.

r. Extended Business Income

(1) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
 - (ii) 30 consecutive days after the date determined in (1)(a) above.

Loss of Business Income must be caused by direct physical loss or physical damage at the "scheduled premises" caused by or resulting from a Covered Cause of Loss.

(2) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; and
- (b) That a part or all of the "scheduled premises" is rendered untenantable as a result of a Covered Cause of Loss.

s. Business Income from Dependent Properties

(1) We will pay for the actual loss of Business Income you sustain due to direct physical loss or physical damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence unless a higher Limit of Insurance is indicated in the Declarations.

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6. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the "scheduled premises". All Coverage Extensions are subject to the terms, conditions and exclusions of this policy, except as otherwise provided.

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows:

a. Accounts Receivable

(1) You may extend the insurance that applies to your Business Personal Property, to apply to your accounts receivable.

We will pay for:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the physical loss or physical damage; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable; that result from direct physical loss of or physical damage to your records of accounts receivable.

(2) Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Additional Coverage except for:

- (a) Paragraph B.1.b., Governmental Action;
- (b) Paragraph B.1.c., Nuclear Hazard; and
- (c) Paragraph B.1.e., War and Military Action.

(3) Additional Exclusions

- (a) Dishonest acts by you, anyone else with an interest in the records of accounts receivable, or your or their employees or authorized

representatives, or anyone entrusted with the records of accounts receivable, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to a carrier for hire.

(b) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money," "securities," or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

(c) Bookkeeping, accounting or billing errors or omissions.

(d) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by Lightning.

(e) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

(f) Unauthorized instructions to transfer property to any person or to any place.

(4) We will not pay for direct physical loss or physical damage that requires any audit of records or any inventory computation to prove its factual existence.

(5) The most we will pay in any one occurrence for direct physical loss of or physical damage to your accounts receivable at each "scheduled premises" is \$25,000.

(6) The most we will pay in any one occurrence for direct physical loss of or physical damage to accounts receivables away from the "scheduled premises", including while in transit, is \$25,000.

b. Arson and "Theft" Reward

(1) In the event that a covered fire loss was the result of an act of arson, we will reimburse you for rewards you pay for information leading to convictions for that act of arson.

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(5) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days after you acquire or begin to construct the property, or
- (c) You report values to us.

We will charge you additional premium for values reported from the day construction begins or you acquire the property.

f. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor:

(1) Fences, signs (other than signs attached to buildings), trees, shrubs and plants caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; and
- (e) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$10,000 but not more than \$1,000 for any one tree, shrub or plant.

(2) Radio and television antennas (including satellite dishes) caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Windstorm;
- (d) Ice, Snow, Sleet or Hail;
- (e) Explosion;
- (f) Riot or Civil Commotion; and
- (g) Aircraft.

The most we will pay in any one occurrence for direct physical loss or physical damage, including debris removal expense, under this Extension is \$2,000.

g. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners, "managers", "members", or your employees.

The most we will pay in any one occurrence for physical loss or physical damage under this Extension is \$10,000 at each "scheduled premises".

h. Property Off-Premises

(1) You may extend the insurance that applies to Building to apply to such property that is temporarily at a location you do not own, lease or operate. This Extension applies only if physical loss or physical damage is caused by or resulting from a Covered Cause of Loss. This Extension does not apply to property in course of transit.

The most we will pay in any one occurrence under this coverage extension is \$5,000.

(2) You may extend the insurance that applies to Business Personal Property to apply to such property, other than Accounts Receivable, "money" and "securities" while:

(a) In the course of transit and more than 1,000 feet from the "scheduled premises". Property must be in or on, but not permanently attached to or installed in, a motor vehicle you own, lease or operate while between points in the coverage territory; or

(b) Temporarily at a premises you do not own, lease or operate.

(c) At a premises owned, leased, operated or used by you and the Business Personal Property is a vending machine.

(d) In or on, but not permanently attached to or installed in, motor vehicles operated by your employees in the course of your business operations.

(e) On temporary public display, or while being used at fairs, exhibitions, expositions, or trade shows or while in transit to and from these temporary sites.

The most we will pay in any one occurrence under this Extension is \$2,500.

i. Valuable Papers and Records - Cost of Research

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records", for which duplicates do not exist.

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- (2) Mudslide or mud flow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.
- But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting physical loss or physical damage.
- (5) Water damage caused by or resulting from earthquake or volcanic eruption:
 - (a) Earthquake means a shaking or trembling of the earth's crust, caused by underground tectonic forces resulting in breaking, shifting, rising, settling, sinking or lateral movement or other movement;
 - (b) Volcanic eruption means the eruption, explosion or effusion of a volcano.
- g. Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 2. We will not pay for physical loss or physical damage caused by or resulting from:
 - a. **Consequential Losses:** Delay, loss of use or loss of market.
 - b. **Smoke, Vapor, Gas:** Smoke, vapor or gas from agricultural smudging or industrial operations.
 - c. **Miscellaneous Types of Loss:**
 - (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, mold, spore or other animals;
- (6) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.
- . But if physical loss or physical damage by the "specified causes of loss", building glass breakage or Equipment Breakdown Accident results, we will pay for that resulting physical loss or physical damage.
- d. **Frozen Plumbing:** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- e. **Dishonesty:** Dishonest or criminal act by you, any of your partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.
- This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
- f. **False Pretense:** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. **Exposed Property:** Rain, snow, ice or sleet to personal property in the open, except as provided in the Coverage Extension for Outdoor Property.
- h. **Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the "scheduled premises", we will pay for that resulting loss or damage.
- i. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" and

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inception date, policy anniversary date, or the date of any other policy change amending the Buildings limit, times

(2) The percentage of annual increase shown above, expressed as a decimal (.08); times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example: The applicable Limit of Insurance for Buildings is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

$$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200$$

6. Business Personal Property Limit - Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if all Limits of Insurance shown in the Declarations for Business Personal Property at the "scheduled premises" is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the physical loss or physical damage occurs; or
 - (2) The period of time you have been in business as of the date the physical loss or physical damage occurs.

D. DEDUCTIBLES

1. We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Except as otherwise listed, the deductible applicable to Additional Coverages and Coverage Extensions is the Special Property Coverage Form is \$250.
3. A \$250 deductible applies to the following Glass Coverages, unless Glass Coverage is provided under a separate coverage form:

- a. Building Glass
- b. Glass Expense
- c. Tenant Glass
4. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$250, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:
 - a. Accounts Receivable;
 - b. Fine Arts
 - c. Outdoor Signs; and
 - d. "Valuable Papers and Records";
5. Unless a separate deductible is shown in the Declarations, the deductible applicable to the following Additional Coverages or Coverage Extensions is \$100, whether the coverage is provided under this coverage form, provided on a separate coverage form or the coverage is provided in a form that includes a package of coverages, such as a Stretch endorsement:
 - a. Employee Dishonesty; and
 - b. Temperature Change.
6. No deductible applies to the following Coverage Extensions and Additional Coverages:
 - a. Fire Extinguisher Recharge;
 - b. Preservation of Property;
 - c. Fire Department Service Charge;
 - d. Business Income, Extra Expense, Civil Authority and Extended Business Income;
 - e. Arson Reward; and
 - f. Lock and Key Replacement
6. The Deductible applicable to the following Additional Coverages is the policy deductible or the deductible shown in the Declarations for the following coverage:
 - a. Equipment Breakdown;
 - b. Ordinance or Law Coverage; and
 - c. Leasehold Improvements.
7. Each deductible applicable to this policy shall be applied separately but only to the coverage specified, and the total deductible for all losses in any one occurrence shall be the highest deductible amount that applies to the occurrence.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

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replacement cost basis if you notify us of your intent to do so within 180 days after the physical loss or physical damage.

(b) We will not pay on a replacement cost basis for any physical loss or physical damage:

- (i) Until the physically lost or physically damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the physical loss or physical damage.

However, if the cost to repair or replace the damaged property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs d.(1)(a) and d.(1)(b) above whether or not the actual repair or replacement is complete.

(c) We will not pay more for physical loss or physical damage on a replacement cost basis than the least of:

- (i) The cost to replace, on the same premises, the physically lost or physically damaged property with other property of comparable material and quality and which is used for the same purpose; or
- (ii) The amount you actually spend that is necessary to repair or replace the physically lost or physically damaged property.

(2) If the **Actual Cash Value - Buildings** option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

(3) The following property at actual cash value:

- (a) Manuscripts;
- (b) Works of art, antiques or rare articles, including etchings, pictures, statuary, objects of marble, bronzes, porcelains and bric-a-brac.

(c) Household contents, except personal property in apartments or rooms furnished by you as landlord.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) "Tenants' Improvements and Betterments" at:

- (a) Replacement cost if you make repairs promptly.
- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the physical loss or physical damage to the expiration of the lease; and
- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing, if others pay for repairs or replacement.

(6) "Valuable Papers and Records", at the cost of:

- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records.

(7) "Money" and "Securities":

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

(8) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;

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(a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. **Vacancy Provisions**

If the building where physical loss or physical damage occurs has been vacant for more than 60 consecutive days before that physical loss or physical damage occurs:

- (1) We will not pay for any physical loss or physical damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you had protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the physical loss or physical damage by 15%.

F. PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at one or more locations will not affect coverage at any location where, at the time of physical loss or physical damage, the breach of condition does not exist.

2. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered physical loss of or physical damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.All of the terms of this policy will then apply directly to the mortgage holder.
- e. If we pay the mortgage holder for any physical loss or physical damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgage holder's rights to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

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"Period of Restoration" does not include any increased period required due to enforcement of any law that:

- Regulates the construction, use or repair, or required the tearing down of any property; or
- Regulates the prevention, control, repair, clean up or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration".

13. "Peripheral Device" means any physical unit used to operate the "computer" that cannot be used for purposes other than as part of the computer's system, such as tape or disk drives, printers, or modems.

14. "Perishable Stock" means personal property:

- Maintained under controlled conditions for its preservation; and
- Susceptible to physical loss or physical damage if the controlled conditions change.

15. "Pollutants and Contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Scheduled Premises" means any premises listed by location address in the Scheduled Premises section of the Declarations.

17. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

- Tokens, tickets except Lottery Tickets, revenue and other non-postage stamps whether or not in current use; and
- Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

but does not include "money."

18. "Software" means instructions or programs that are stored on "media" and which instruct the hardware as to how to process "data".

19. "Specified Cause of Loss" means the following:

- Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. It does not include the cost of filling sinkholes.
- b. Falling objects does not include loss of or damage to:
 - Personal property in the open; or
 - The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

20. "Suit" means a civil proceeding and includes:

- An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
- Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

21. "Tenant Improvements and Betterments" means fixtures, alterations, installations or additions made a part of the Building you occupy but do not own and that you cannot legally remove; and

- Which are made at your expense; or
- That you acquired from the prior tenant at your expense.

22. "Theft" means the act of stealing.

23. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" and "securities", "data" and "software" or the materials on which the "data" and "software" is recorded.

**QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY**

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- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. **Incidental Medical Malpractice**

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
 - (1) All expenses we incur.
 - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - (5) All costs taxed against the insured in the "suit".
 - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

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(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

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g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

- (c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;

- (b) Designing or determining content of web sites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;

- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) An "advertisement" for others on your web site;

- (b) Placing a link to a web site of others on your web site;

- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

- (d) Computer code, software or programming used to enable:

- (i) Your web site; or

- (ii) The presentation or functionality of an "advertisement" or other content on your web site;

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2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or
- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

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This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. - Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. - Coverages.

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F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".
3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

BUSINESS LIABILITY COVERAGE FORM

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

14. "Loading or unloading" means the handling of property:

- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- While it is in or on an aircraft, watercraft or "auto"; or
- While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- Vehicles maintained for use solely on or next to premises you own or rent;
- Vehicles that travel on crawler treads;
- Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - Snow removal;
 - Road maintenance, but not construction or resurfacing; or
 - Street cleaning;
- Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- False arrest, detention or imprisonment;
- Malicious prosecution;

BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Your product":

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work":

- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS LIABILITY COVERAGE FORM AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

A. Sub-subparagraphs 1.p. (7), (8), (15) of Paragraph 2., of Section B. Exclusions are deleted and replaced with the following:

p. Personal and Advertising Injury:

(7) (a) Arising out of any actual or alleged infringement or violation of any intellectual property right, such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity; or

(b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

(1) Infringement, in your "advertisement", of:

- (a) Copyright;
- (b) Slogan; or
- (c) Title of any literary or artistic work; or

(2) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

(8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. of the definition of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

(15) Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

B. Subparagraph 1.r. of Section B. Exclusions is deleted and replaced with the following:

r. Employment-Related Practices

"Personal and advertising injury" to:

(1) A person arising out of any "employment-related practices"; or



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SPECIAL PROPERTY COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

I. The following provisions modify the Special Property Coverage Form.

A. Property Definitions

"Data" G.4. is deleted and replaced with the following.

4. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

B. Exclusions

1. Earth Movement B.1.a is amended to add the following:

This Exclusion applies regardless of whether any of the following is caused by weather, an act of nature, by an artificial, man-made or other cause.

2. The following is added to Exclusions B.1:
h. Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer Equipment"

This exclusion does not apply if SS 14 29 Electronic Vandalism or SS 40 08 Electronic Vandalism has been made part of this policy.

Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer Equipment" which means:

- (1) A virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- (2) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as "theft";
- (3) Errors or omissions in programming or processing "electronic data";
- (4) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including "electronic data");
- (5) Manipulation of your computer system, including "electronic data", by an employee, volunteer worker or contractor, for the purpose of diverting or destroying "electronic data" or causing fraudulent or illegal transfer of any property;



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS
SPECIAL PROPERTY COVERAGE FORM
STANDARD PROPERTY COVERAGE FORM**

I. The following provisions modify the **COMMON POLICY CONDITIONS**.

A. The Cancellation Condition is deleted and replaced by the following:

Cancellation

1. Cancellation by the First Named Insured

The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. Cancellation Of Policies In Effect For Less Than 60 Days

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. Cancellation Of Policies In Effect For 60 Days Or More

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15

days before the effective date of cancellation.

c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting inforce policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

B. The following is added to any provision which uses the term Actual Cash Value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether the property has sustained partial or total loss damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

person (other than a "messenger") outside those premises or to a place outside those premises.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

5. Computers and Media

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply anywhere in the Coverage Territory to cover direct physical loss of or physical damage to your computer systems. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Computers and Media, Form SS 04 41, with the exception of the Limit of Insurance provision contained in that form. Computers and Media, Form SS 04 41 is made a part of this policy whether or not Computers and Media coverage is indicated in the Declarations.

6. Debris Removal

The following Additional Coverage is added:

In Limits of Insurance, C.4.b., the additional limit of insurance for the Debris Removal Additional Coverage is increased to \$25,000 in any one occurrence.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

7. Employee Dishonesty (including ERISA)

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from employee dishonesty. This includes ERISA coverage. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Employee Dishonesty Coverage, Form SS 04 42, with the exception of the Limit of Insurance provision contained in that form. Employee Dishonesty Coverage, Form SS 04 42 is made a part of this policy whether or not Employee Dishonesty Coverage is indicated in the Declarations.

8. Fine Arts

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to apply to Fine Arts. This Limit of Insurance is in addition to any other Limit of

Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Fine Arts Coverage Form, Form SS 04 22, with the exception of the following:

- a. The requirement contained under Paragraph A.1., Under A. Coverage, to list and describe Fine Arts in the Declarations or Schedule is deleted when Fine Arts are covered under this Stretch endorsement; and
- b. The Limit of Insurance provision does not apply.
- c. Paragraph D.1. Valuation is deleted and replaced by the following:

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

Fine Arts Coverage, Form SS 04 22 is made a part of this policy whether or not Fine Arts Coverage is indicated in the Declarations.

9. Forgery

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss from forgery of covered instruments, money orders, credit cards, and counterfeit money.

This Additional Coverage is subject to the provisions of Forgery Coverage, Form SS 04 86, with the exception of the Limit of Insurance provision contained in that form. Forgery Coverage, Form SS 04 86 is made a part of this policy, whether or not Forgery Coverage is indicated in the Declarations.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

10. Laptop Computers - Worldwide Coverage

The following Additional Coverage is added:

We will pay up to \$5,000 in any one occurrence as a Limit of Insurance to apply to laptop, palmtop and similar portable computer equipment, personal digital assistants (PDAs), and accessories anywhere in the world, including while in transit. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

Limitation: We will not pay for direct physical loss or physical damage caused by, resulting from, arising out of the theft of this property which is in transit as checked baggage.

This Additional Coverage is subject to the provisions of Computers and Media, Form SS

17. Sewer and Drain Back Up

The following Additional Coverage is added:

We will pay for direct physical loss of or physical damage to Covered Property solely caused by water that backs up from a sewer or drain. This coverage is included within the Covered Property Limits of Insurance.

THIS IS NOT FLOOD INSURANCE

We will not pay for water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

18. Sump Overflow or Sump Pump Failure

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$15,000 for any loss, including Business Income or Extra Expense, resulting from physical loss or physical damage to Covered Property that is caused by or resulting from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area if the failure is directly or indirectly the result of a Covered Cause of Loss. Failure means an abrupt cessation of normal functioning. This Limit of Insurance is the maximum we will pay regardless of any other coverage provided under this policy.

This Additional Coverage is subject to the terms and conditions of this policy with the exception of:

- a. Paragraph B.1.f., Power Failure, of the Standard Property Coverage Form and Paragraph B.1.d., Power Failure, of the Special Property Coverage Form; and
- b. Paragraph B.1.h.(4), Water, of the Standard Property Coverage Form and Paragraph B.1.f.(4), Water, of the Special Property Coverage Form.

THIS IS NOT FLOOD INSURANCE

We will not pay for water or other materials that overflow from a sump when the overflow is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

19. Temperature Change

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to perishable stock caused by or resulting from a change of temperature or contamination by a refrigerant.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of the Temperature Change Coverage, Form SS 04 46, with the exception of the Limit of Insurance provision contained in that form. Temperature Change, Form SS 04 46 is made a part of this policy whether or not Temperature Change coverage is indicated in the Declarations.

20. Tenant Building and Business Personal Property Coverage - Required by Lease

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$20,000 as a Limit of Insurance to apply to direct physical loss of or physical damage to Building and Business Personal Property for which you have a contractual responsibility to insure. This includes building fixtures, machinery and equipment.

21. Transit Property in the Care of Carriers for Hire

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply to direct physical loss of or physical damage to property while in transit at your risk. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Transit Property in the Care of Carriers for Hire, Form SS 04 30, with the exception of the Limit of Insurance provision contained in that form. Transit Property in the Care of Carriers for Hire, Form SS 04 30 is made a part of this policy whether or not Transit Property in the Care of Carriers for Hire is indicated in the Declarations.

22. Unauthorized Business Card Use

The following Additional Coverage is added:

The maximum we will pay in any one occurrence is \$2,500 as a Limit of Insurance to cover loss resulting from the theft or unauthorized use of your Business Credit, Debit or Charge Cards, including the reasonable legal expenses you incur.

"scheduled premises" to cover loss of Business Income and Extra Expense caused by or resulting from the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Business Income Extension for Off-Premises Utility Services, Form SS 04 19, with the exception of the Limit of Insurance provision contained in that form. Business Income Extension for Off-Premises Utility Services, Form SS 04 19 is made a part of this policy whether or not Business Income Extension for Off-Premises Utility Services coverage is indicated in the Declarations.

2. Business Income Extension for Web Sites

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to cover loss of Business Income you sustain due to the necessary interruption of business operations caused by or resulting from direct physical loss of or physical damage to your Web Site operation at the premises of a vendor acting as your service provider. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

Such interruption must be caused by or result from a Covered Cause of Loss.

a. Coverage Time Period

We will only pay for loss you sustain during the 7-day period immediately following the first 12 hours after the Covered Cause of Loss.

b. Conditions

This coverage applies only:

- (1) If you have a back-up copy of your Web Page stored at a location other than the site of the Web Site vendor.
- (2) To the extent that Business Income is permanently lost.

3. Business Income from Dependent Properties

The following Additional Coverage is added:

We will pay up to \$25,000 in any one occurrence as a Limit of Insurance to apply to loss of Business Income and Extra Expense due to direct physical damage at property of others you depend on. This Limit of Insurance is in addition to any other Limit shown in the Declarations for specific Dependent Properties.

This additional coverage is subject to the provisions of Business Income from Dependent Properties, Form SS 04 78, with the exception of the Limit of Insurance provision contained in that

form. Business Income from Dependent Properties, Form SS 04 78 is made a part of this policy whether or not Business Income from Dependent Properties coverage is indicated in the Declarations.

There is no requirement for Dependent Properties to be scheduled for the coverages provided by this Stretch endorsement to apply.

4. Extended Business Income

In the Extended Business Income Additional Coverage, paragraph 4.j.(1)(b)(ii) of the Standard Property Coverage Form and paragraph 5.r.(1)(b)(ii) of the Special Property Coverage Form are amended to read as follows:

(b) 60 consecutive days after the date determined in (a) above.

D. The following changes apply to Paragraph E.5.d., Loss Payment, of the Standard Property Coverage Form and the Special Property Coverage Form:

1. Valuation Changes

The following are added to the Loss Payment Property Loss Condition E.5.d.:

(10) Commodity Stock

We will determine the value of merchandise and raw materials that are bought and sold at an established market exchange. We will determine the value at:

- (a) The posted market price as of the time and place of loss;
- (b) Less discounts and expenses you otherwise would have had.

(11) "Finished Stock"

We will determine the value of goods that you have manufactured at the selling price less discounts and expenses you otherwise would have had.

(12) Mercantile Stock - Sold

We will determine the value of goods you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINE ARTS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

This insurance applies only when the property is covered under the Special Property Coverage Form. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

The following changes are made to the Special Property Coverage Form:

A. Under A. Coverage:

1. The following paragraph is added to 1. Covered Property:

Fine Arts listed and described in the Declarations or Schedule which are:

- a. Owned by you; or
- b. Owned by others, and in your care, custody and control; and
- c. Located at the "scheduled premises", or in transit to and from the "scheduled premises", or at your residence.

2. The following is added to Paragraph 2. Property Not Covered with respect to coverage afforded by this endorsement:

Property on exhibition at fairgrounds or at any type of exposition, unless such locations are listed and described in the Declarations or Schedule.

3. The following special Limitation provision applies to property covered by this endorsement:

Art glass windows, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of fragile or brittle nature are covered against loss by breakage only if loss or damage is caused by "specified causes of loss."

4. Section B. EXCLUSIONS do not apply to coverage afforded under this endorsement, except for:
 - (1) Governmental Action;
 - (2) Nuclear Hazard; and
 - (3) War and Military Action.

5. Additional Exclusions

We will not pay for physical loss or physical damage caused by or resulting from:

- a. Delay, loss of use, loss of market, or any other causes of consequential loss;
- b. Wear and tear, depreciation or obsolescence;
- c. Rust, corrosion, fungus, decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
- d. Insects, birds, rodents or other animals.
- e. Dishonest acts by:
 - (1) You or any of your partners;
 - (2) Your directors or trustees;
 - (3) Your authorized representatives or employees; or
 - (4) Anyone, other than a carrier for hire, to whom you entrusted the Covered Property, including their employees, for any purpose:

Whether acting alone or in collusion with others; and

Whether or not occurring during the hours of employment.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSIT COVERAGE – PROPERTY IN THE CARE OF CARRIERS FOR HIRE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement the terms and conditions of the policy and of the Special Property Coverage Form apply to the insurance stated below.

A. With respect to this Transit Coverage – Property in the Care of Carriers for Hire only, the following changes are made to the Special Property Coverage Form:

1. Under A.4. Limitations, subparagraph c.(3) which limits coverage for patterns, dies, molds and forms, is deleted.
2. Under B. Exclusions
 - a. Exclusions 1.a. (Earth Movement) and 1.f. (Water) do not apply to property in transit.
 - b. Exclusions 2.e. (Dishonesty) and 2.g. (Exposed Property) do not apply to property in custody of a carrier for hire.
 - c. Exclusion 2.f. (False Pretense) does not apply to loss or damage caused by your good faith acceptance of false bills of lading or shipping receipts.
 - d. The following Exclusion is added:
We will not pay for physical loss or physical damage caused by or resulting from poor or insufficient packaging or packing.

B. Transit Coverage – Property in the Care of Carriers for Hire

1. The insurance that applies to your Business Personal Property and Personal Property of Others is extended to apply to shipments of that property while in transit at your risk, by motor vehicle, railroad car or aircraft between points within the Coverage Territory. This includes property you have sold and for which your responsibility continues until it is delivered.

2. The Transit Coverage – Property in the Care of Carriers for Hire also applies to:

a. Expenses to Inspect, Repackage and Reship Damaged Shipments

The necessary additional expenses you incur to inspect, repackaging and reship Covered Property which is physically damaged as a result of a Covered Cause of Loss.

b. Expenses to Protect Covered Property from Spoilage or Change in Temperature

The necessary additional expense you incur to temporarily store Covered Property in a temperature controlled environment in order to avoid or minimize physical loss or physical damage to such property from spoilage or change in temperature. Such temporary storage must be made necessary by the sudden and accidental breakdown of heating or refrigeration unit(s) on transporting conveyances.

This additional expense will not include:

(1) Expenses to repair or replace heating or refrigeration unit(s);

(2) Costs or penalties due to detention or delay of any vehicles, trailers, conveyances or containers; or

(3) Costs for additional wages, room, board or meals.

c. F.O.B. Shipments

Outgoing shipments where the risk of physical loss or physical damage is transferred to the buyer when such property leaves your premises.

You must use all reasonable means to collect the amount due you from the buyer



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

This coverage is subject to all provisions in the BUSINESS LIABILITY COVERAGE FORM not expressly modified herein:

A. Amended Coverage:

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" and "non-owned auto".

B. Paragraph B. EXCLUSIONS is amended as follows:

1. Exclusion g. Aircraft, Auto or Watercraft does not apply to a "hired auto" or a "non-owned auto".

2. Exclusion e. Employers Liability does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract".

3. Exclusion f. Pollution is replaced by the following:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";

(2) Otherwise in the course of transit by or on behalf of the "insured"; or

(3) Being stored, disposed of, treated or processed in or upon the covered "auto".

b. Before the "pollutants" or any property in which the "pollutants" are contained are

moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and

(2) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in paragraphs 15.b. and 15.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. "Non-owned auto " means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:
 - a. "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.
 - b. Customer's "auto" that is in your care, custody or control for service.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTERS AND MEDIA

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. Computer Equipment, Electronic Data and Software

1. Coverage

We will pay for direct physical loss of or physical damage, to "computer equipment" and the cost to research, replace or restore physically lost or physically damaged "electronic data" and "software" subject to the Limit of Insurance shown in the Declarations for Computers and Media while anywhere within the coverage territory, and while in transit, but only if:

- a. Owned by you; or
- b. Owned by others but in your care, custody and control regardless of whether you use it for personal or business needs.

2. Property Not Covered

"Computer Equipment" as used in this optional coverage does not include:

- a. Source documents, other than manuals purchased with hardware or "software";
- b. Worksheets and printouts;
- c. Property held for sale or lease;
- d. Property leased or rented to others; or
- e. "Money", deeds, notes, "securities" or other financial instruments, including such instruments in electronic form.

3. Extended Causes of Loss

Direct physical loss or physical damage to your "computer equipment", "electronic data" or "software", or "computer equipment", "electronic data" or "software" of others in your care, custody or control is extended to include the following:

- a. Electromagnetic injury caused by:
 - (1) Blackout or brownout;

- (2) Power Failure;
- (3) Airport security check, or radio or telephone line interference; or
- (4) Electromagnetic disturbance outside the "computer system".

- b. Head crash, meaning physical damage to disks, tapes or hardware caused by a contact of electromagnetic heads (which read or write information) with such disks or tapes;

- c. Damage caused by a "computer virus"; and
- d. Theft of "computer equipment" away from the "scheduled premises". Theft means an act of stealing or an attempt to steal. Theft includes loss of property from a known place when it is likely that the property has been stolen.

4. Exclusion

We will not pay to research, replace or restore physically lost or physically damaged "electronic data" or "software" which is licensed, leased or rented to others.

5. Deductible

We will not pay for loss or damage in any one occurrence to "computer equipment" until the amount of loss or damage exceeds \$250, unless a separate deductible is stated in the Declarations for Computers and Media Coverage.

B. Additional Coverage

1. Business Income and Extra Expense Coverage

If Business Income and Extra Expense Coverage is included in this policy then the following applies.

a. Coverage

- (1) Coverage under this endorsement applies to the following Additional

- k. Unexplained disappearance, however we will cover theft of "computer equipment" as provided in provision A.3.d.;
- l. Unlawful trade, or seizure by orders of governmental authority;
- m. Delay or loss of market; and
- n. Theft of laptop, palmtop or similar portable property while in transit as checked baggage.

E. Limit of Insurance

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Computers and Media shown in the Declarations.

F. Loss Payment

This Loss Payment condition is applicable to the "computer equipment", "electronic data", and "software" coverage provided by this endorsement. We will determine the value of Covered Property as follows:

1. "Computers," "peripheral devices", "media", and manuals at the full cost to repair or replace the property subject to the Limit of Insurance. However, we will not pay more for physical loss or physical damage on a replacement cost basis than the lesser of and the following:
 - a. The amount necessary to replace the item with similar property possessing the minimum characteristics necessary to perform the same functions when replacement with identical property is not possible or practical.
 - b. The amount necessary to repair or replace the item with one substantially identical to the physically lost or physically damaged item. In the event of a covered total loss to one or more items, we will allow up to 20% over the current replacement cost as described in this provision, as an Optional Upgrade Allowance for the purchase of new

property with upgraded processing or performance characteristics. This Optional Upgrade Allowance will, at our option, be payable after you have purchased the replacement property and have provided us with written proof of such purchases; or

- c. If the item is not repaired or replaced, we will not pay more than the actual cash value of the item at the time of physical loss or physical damage. If you elect this option, you have the right to make further claim within 180 days after loss for any additional payment on a replacement cost basis.
- 2. In the event of physical loss or physical damage to "electronic data" or "software", we will pay the reasonable amount you actually spend to reproduce, restore, or replace the physically lost or physically damaged "electronic data" or "software". This includes the cost of computer consultation services for restoration and the cost of research to reconstruct lost or damaged information. But we will not pay more than the Limit of Insurance for Computers and Media specified in the Declarations.
- 3. In the event of physical loss or physical damage to any part of "computer equipment", "electronic data" or "software", we will pay only what it would cost to replace, reproduce, or restore the physically lost or physically damaged part.

G. Additional Definitions

1. "Computer Virus" means a program, which is intentionally created to cause damage or disruption in the computer operations of a party using or coming in contact in any way with the program.
2. "Computer System" includes "computer", "peripheral devices", "software", and "electronic data" necessary for the "computer" to function for its intended purpose.

means an act of fraud or dishonesty committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, that results in a loss to a Plan of funds or other property which is used or may be used to pay benefits under the Plan. "Covered Causes of Loss" does not include investment losses or any other loss resulting from a breach of fiduciary duty under ERISA or a prohibited transaction as defined by ERISA and for which coverage is not required by Section 412 of ERISA.

(b) **Welfare and Pension Plan ERISA Compliance**

In compliance with certain provisions of the ERISA:

- (i) For the purposes of this insurance, the Plans you establish and maintain for the benefit of your employees shall be Named Insureds under this Employee Dishonesty Coverage.
- (ii) "Employee" includes any natural person you employ and any owner, officer, trustee or director of your company who "handles" the funds or other property of the Plan (as defined in 29 C.F.R. 2580.412-6) including, but not limited to, the Plan Administrator. "Employee" does not include any third party (including but not limited to a broker, independent contractor, record keeper, payroll provider, trustee or other fiduciary) who provides services to you or to a Plan.
- (iii) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance under this Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (iv) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan must be

paid promptly into such plan for the use and benefit of the Plan(s) sustaining the loss.

- (v) If two or more Plans are insured under this insurance, any payment we make for loss either sustained by two or more plans, or of commingled funds or other property of two or more Plans that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

(4) **Theft Limitation Exception**

Limitation A.4.c., of the Special Property Coverage Form does not apply to coverage provided by this endorsement.

(5) **Additional Exclusions**

(a) **Employee Terminated Under Prior Insurance**

We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been terminated and not reinstated since the last such termination.

(b) **Insurance Operations**

We will not pay for direct or indirect loss resulting from contractual or extra-contractual liability sustained by you in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

(c) **Inventory Shortages**

We will not pay loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (i) An inventory computation; or
- (ii) A profit and loss computation.

(d) **Partners**

We will pay only for loss caused by any partner or member of a limited liability corporation that is in excess of the sum of:

- (i) Any amounts you owe that partner or member; and
- (ii) The value of that partner's or member's ownership interest determined by the closing of



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR SIGNS

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

- A. We will pay for direct physical loss of or physical damage to all outdoor signs at the "scheduled premises":
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody and control.
- B. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply, to this Optional Coverage, except for:
 - (1) Governmental Action;
 - (2) Nuclear Hazard; and
 - (3) War and Military Action.

C. Additional Exclusion

We will not pay for physical loss or physical damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

D. Limit of Insurance

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

E. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEMPERATURE CHANGE

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. We will pay for direct physical loss of or physical damage to "perishable stock" at the "scheduled premises" caused by or resulting from:

1. A change in temperature or humidity resulting from:

(a) Mechanical breakdown or failure of:

- (1) Stationary heating plants; or
- (2) Refrigerating, cooling or humidity control apparatus or equipment;

But only while such plants, equipment or apparatus are at the "scheduled premises".

(b) Complete or partial failure of electric power, either on or away from your "scheduled premises". Such failure of power must be due to conditions beyond your control; or

2. Contamination by a refrigerant.

B. SELLING PRICE

We will determine the value of finished "perishable stock" in the event of direct physical loss or physical damage at the selling price, as if no physical loss or physical damage had occurred less discounts and expenses you otherwise would have had.

C. We will not pay for direct physical loss of or physical damage to "perishable stock" located:

- 1. On buildings;
- 2. In the open; or
- 3. In vehicles, other than trailers used for storage located within 1000 feet of the "scheduled premises".

D. EXCLUSIONS

- 1. The following exclusions under SECTION B - EXCLUSIONS are deleted:

- (a) Ordinance or Law;
- (b) Power Failure; and
- (c) Mechanical Breakdown in the Standard Property Coverage Form.

2. The following exclusions are added:

We will not pay for direct physical loss or physical damage caused by or resulting from:

(a) The disconnecting of any of the following systems from the source of power:

- (1) Refrigerating;
- (2) Cooling; or
- (3) Humidity control.

(b) The loss of electrical power caused by the shutting off of any switch or other device used to control the flow of electric power or current.

(c) The inability of an electrical utility company, your stationary heating plant or any other power source to provide sufficient heat or power due to:

- (1) Lack of fuel;
- (2) Lack of capacity to make enough heat or power; or
- (3) Order of the government.

(d) Breaking of any glass that is a permanent part of a refrigerating, cooling or humidity control unit.

E. DEDUCTIBLE

We will not pay for loss in any one occurrence unless the amount of loss exceeds the deductible stated in paragraph D.5. of the Standard Property Coverage Form or D.5. of the Special Property Coverage Form., unless a different deductible is stated in the



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VALUABLE PAPERS AND RECORDS

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. We will pay for direct physical loss of or physical damage to the following types of property at the "scheduled premises" that is your property or property of others in your care, custody or control:

Valuable Papers and Records, meaning inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts;
- (3) Records including patient records; or
- (4) X-Rays

including abstracts, books, deeds, drawings, films, maps or mortgages.

But Valuable Papers and Records does not include:

- (1) Property that cannot be reproduced, replaced or restored;
- (2) "Money" and "Securities";
- (3) Converted data; or
- (4) Programs or instructions used in your data processing operations, including the material on which the data is recorded.

B. Limit of Insurance

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Valuable Papers and Records shown in the Declarations.

C. Deductible

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

- D. Under this Optional Coverage we will not pay for property:
 - (1) Held as samples or for delivery after sale;
 - (2) In storage away from the premises shown in the Declarations; or
 - (3) If such property can not be replaced with other property of like kind and quality.
- E. With respect to this Optional Coverage, Coverage Extension A.5.h., Property Off-Premises in the Standard Property Coverage Form and Coverage Extension A.6.h., Property Off-Premises in the Special Property Coverage Form are replaced by the following:
 1. You may apply the insurance provided under this Optional Coverage to Valuable Papers and Records while such property is not at the "scheduled premises", including while in transit. The most we will pay for direct physical loss or physical damage under this Coverage Extension is 25% of the Limit of Insurance shown in the Declarations for Valuable Papers and Records but not more than \$25,000.
 2. However, if Valuable Papers and Records – Off-Premises is scheduled in the Declarations, then the limit in E.1. above is replaced by the limit of insurance shown in the Declarations for Valuable Papers and Records – Off-Premises.
- F. The Valuable Papers and Records Coverage Extension, paragraph A.5.i. in the Standard Property Coverage Form and paragraph A.6.i. in the Special Property Coverage Form., do not apply to any premises where this Optional Coverage applies.
- G. With respect to coverage provided by this endorsement, paragraph E.5.d.(6) in the Standard Property Coverage Form and in the Special Property Coverage Form are replaced by the following:
 - (6) We will determine the value of "Valuable Papers and Records" at the cost of:
 - a. Blank materials for reproducing the records; and



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CRIME COMMON CONDITIONS AND EXCLUSIONS

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM**

The following conditions are added the Standard Property Coverage Form and the Special Property Coverage Form.

A. CRIME COMMON CONDITIONS

1. Consolidation - Merger

If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "employees"; or
- b. You acquire the use and control of any additional premises;

any insurance afforded for "employees" or premises also applies to those additional "employees" and premises, but only if you:

- (1) Give us written notice within 60 days thereafter; and
- (2) Pay us an additional premium.

2. Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this policy.

3. Joint Insured

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

4. Legal Action Against Us

The following replaces the Legal Action Against Us in the Property Loss Conditions:

No one may bring a legal action against us under this Coverage Part unless:

- a. There has been full compliance with all of the terms of this Coverage Part; and
- b. The action is brought within 2 years after the date on which you discover the loss .

2. Indirect Loss

We will not pay for loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

3. Legal Expenses

We will not pay for expenses related to any legal action.

4. Nuclear Hazard

We will not pay for loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

5. War and Similar Actions

We will not pay for loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

C. CRIME COMMON DEFINITIONS

The following is added to Definitions

"Employee" means:

1. Any natural person:
 - a. While in your service (and for 60 days after termination of service); and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you;
2. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises;

3. Any natural person who is your partner or member of a limited liability corporation.

4. Any natural person, whether or not compensated, while performing services for you as the chairman or a member of any committee;

5. Any natural person who is a non-compensated officer;

6. Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees or while acting within the scope of the usual duties of an "employee";

7. Any natural person who is a non-compensated volunteer, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee";

8. Any natural person who is a former employee, director, partner, member, representative or trustee retained as a consultant while performing services for you;

9. Any natural person who is a student intern who is pursuing studies or acting within the scope of the usual duties of an "employee";

10. Any natural person, who is a student enrolled in your facility, while handling or has possession of property or funds in connection with sanctioned student activities;

11. The spouses of and children over 18 years old who reside with any "employee" who is a building manager, superintendent or janitor.

Each family is deemed to be, collectively, one "employee" for the purposes of this insurance, except that any Termination Condition applies individually to the spouse and children.

"Employee" does not mean:

(1) An agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any manager, director, partner, member or trustee, except while acting within the scope of the usual duties of an "employee".

B. COUNTERFEIT CURRENCY AND MONEY ORDERS COVERAGE

1. Covered Property

Covered Property means the following:

We will pay for loss directly resulting from

- a. Money orders, including counterfeit money orders, of any United States or Canadian post office, express company or national or state (or Canadian) chartered bank that are not paid upon presentation; and
- b. Counterfeit United States or Canadian paper currency.

2. Covered Causes of Loss

Covered Causes of Loss means the acceptance of Covered Property in good faith, in exchange for merchandise, money or services, during the regular course of business.

3. Exclusions

The following Exclusion applies in addition to the Exclusions in the Crime Common Conditions and Exclusions.

- a. We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.

- b. We will not pay for loss resulting from the giving or surrendering of property in any exchange or purchase.

- c. We will not pay for loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

C DEDUCTIBLE

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the Deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

D. LIMIT OF INSURANCE

The most we will pay for each Occurrence of loss under this Endorsement is the Forgery Limit of Insurance stated in the Declarations.

The Additional Coverages are included in this Limit of Insurance.

E. OCCURRENCE DEFINITION

1. For Forged or Altered Instruments Coverage, Occurrence means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments of Covered Property.
2. For Counterfeit Currency and Money Order Coverage, Occurrence means an:
 - a. Act or series of related acts involving one or more persons; or
 - b. Act or event, or series of related acts or events not involving any person.



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LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
STANDARD PROPERTY COVERAGE FORM
PERSONAL PROPERTY OF OTHERS
COMPUTERS AND MEDIA COVERAGE

A. Fungi, Bacteria or Virus Exclusions

1. Paragraph A.5.i.(5). of the Increased Cost of Construction Additional Coverage of the Standard Property Coverage Form is replaced by the following:
 - (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, bacteria or virus; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot, bacteria or virus.
2. The following exclusion is added to Paragraph B.1. Exclusions of the Standard Property Coverage Form and the Special Property Coverage Form; Paragraph F., Additional Exclusions of Computers and Media, form SS 04 41, and to form SS 04 45, Personal Property of Others:

i. "Fungi", Wet Rot, Dry Rot, Bacteria And Virus

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Presence, growth, proliferation, spread or any activity of "fungi", wet rot, dry rot, bacteria or virus.
- (2) But if "fungi", wet rot, dry rot, bacteria or virus results in a "specified cause of loss" to Covered Property, we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot, bacteria or virus results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage for "Fungi", Wet Rot, Dry Rot, Bacteria and Virus with respect to loss or damage by a cause of loss other than fire or lightning.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

- B. The following Additional Coverage is added to Paragraph A.4. of the Standard Property Coverage Form or Paragraph A.5. of the Special Property Coverage Form, and applies to the optional coverage form SS 04 41, Computers and Media and SS 04 45, Personal Property of Others and form:

property caused by "fungi", wet or dry rot, bacteria or virus, then our payment under the Time Element Coverage is limited to the amount of loss and expense sustained in a period of not more than 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot, bacteria or virus, but remediation of "fungi", wet or dry rot, bacteria or virus prolongs the "period of restoration", we will pay for loss and expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Declarations. The days need not be consecutive.

C. Fungi Definition

1. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

C. LIMITS OF INSURANCE

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.
2. Expense Reimbursement coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.
 - a. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.
 - b. Lost Wages and Child and Elder Care Expenses as provided under paragraphs e. and f. of the definition of "identity recovery" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
 - c. Mental Health Counseling as provided under paragraph g. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

D. DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

- E. The following additional conditions are added to Section F. - Property General Conditions and apply to this coverage:

CONDITIONS

1. Assistance and Claims

For assistance, the "identity recovery insured" should call the Identity Recovery Help Line at 1-866-989-2905.

The Identity Recovery Help Line can provide the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

2. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

- a. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
- b. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING LIMIT- AUTOMATIC INCREASE REVISION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM
STANDARD PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

- A. Paragraph C.5 Building Limit-Automatic Increase of the SPECIAL PROPERTY COVERAGE FORM or STANDARD PROPERTY COVERAGE FORM is deleted.
- B. The following is added to Additional Coverages, paragraph A.5 of the SPECIAL PROPERTY COVERAGE FORM or paragraph A.4. of the STANDARD PROPERTY COVERAGE FORM:

Building Limit - Automatic Increase

- a. If the covered loss or damage to Building property at a "scheduled premises" exceeds the Limit of Insurance stated in the Declarations, the Limit of Insurance available for the covered loss or damage in that occurrence will automatically increase by up to 8%.
- b. The amount of increase will be:
 - (1) The Limit of Insurance for Buildings that applied on the most recent of the policy inception date, policy anniversary date, or the date of any other policy change amending the Building limit, multiplied by
 - (2) The 8% annualized percentage of Automatic Increase, expressed as a decimal
(.08), multiplied by

- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance for Buildings, divided by 365.

Example:

The applicable Limit of Insurance for Buildings is \$100,000. The automatic increase percentage is 8%. The number of days since the beginning of the policy period (or last policy change) is 146.

The amount of increase is:

\$100,000 X .08 X 146 divided by 365 = \$3,200



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERILS SPECIFICALLY EXCEPTED

As used herein, "Peril" means a cause of physical loss or damage to property. It has this meaning whether or not it is called a "Peril" or a "Cause of Loss" in this policy. Even if any of the terms of this policy might be construed otherwise, the following Perils, as described in Paragraphs A. and B. below, are **SPECIFICALLY EXCEPTED FROM THIS POLICY. WE DO NOT COVER OR INSURE AGAINST LOSS OR DAMAGE DIRECTLY OR INDIRECTLY CAUSED BY, RESULTING FROM, CONTRIBUTED TO OR AGGRAVATED BY, OR WHICH WOULD NOT HAVE OCCURRED BUT FOR, EITHER OF THESE PERILS:**

- A. ACTS, ERRORS OR OMISSIONS by you or others in:
 1. Planning, zoning, developing, surveying, testing or siting property;
 2. Establishing or enforcing any building code, or any standard, ordinance or law about the construction, use or repair of any property or materials, or requiring the tearing down of any property, including the removal of its debris;
 3. The design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction of all or any part of the following:
 - a. Land or buildings or other structures;
 - b. Roads, water or gas mains, sewers, drainage ditches, levees, dams, or other facilities; or
 - c. Other improvements or changes in or additions to land or other property.
 4. The furnishing of work, materials, parts or equipment in connection with the design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction of any of the above property or facilities; or
 5. The maintenance of any of such property or facilities.

This exception A. applies whether or not the property or facilities described above are:

1. Covered under this policy; or
2. On or away from the covered premises.

This exception A. does not reduce the insurance for loss or damage caused directly by a Covered Peril.

As used in this endorsement:

1. If this policy is written to cover the risk of loss from specifically named causes. "Covered Peril" means any Peril specifically named as covered; or
2. If written to cover the risk of loss without specifying specifically named causes, "Covered Peril" means any Peril not described above and not otherwise excluded or excepted from the causes of loss covered by this policy.

B. COLLAPSE, "CRACKING" OR "SHIFTING" of buildings, other structures or facilities, or their parts, if the collapse, "cracking" or "shifting":

1. Occurs during "earth movement," "volcanic eruption" or "flood" conditions or within 72 hours after they cease; and
2. Would not have occurred but for "earth movement," "volcanic eruption" or "flood."

But if loss or damage by a covered Peril ensues at the covered premises, we will pay for that ensuing loss or damage.

This exception B. applies whether or not there are other provisions in this policy relating to collapse, "cracking" or "shifting" of buildings, other structures or facilities, or their parts. Any such provision is revised by this endorsement to include this exception.

But if this policy specifically covers (by endorsement or in any other way) loss or damage caused by one or more of the following Perils:

1. Earthquake;
2. Flood;
3. Volcanic action;
4. Volcanic eruption; or
5. Sinkhole collapse.

This exception B. will not reduce that coverage.

As used in this exception B.:



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - NUCLEAR ENERGY LIABILITY

1. This insurance does not apply:
 - a. To any injury or damage:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - b. Under any Medical Payments or Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - c. To any injury or damage resulting from the "hazardous properties" of "nuclear material"; if:
 - (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The injury or damage arises out of the furnishing by any insured of any "technology services" in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or
- (4) The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (4) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this exclusion:
 - a. "Byproduct material", "source material" and "special nuclear material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - b. "Computer system and network" means:
 - (1) Leased or owned computer hardware including mobile, networked, and data storage computing equipment;
 - (2) Owned or licensed software;
 - (3) Owned websites;
 - (4) Leased or owned wireless input and output devices; and
 - (5) Electronic backup facilities and data storage repositories employed in conjunction with items 1 through 4 above.
 - c. "Hazardous properties" include radioactive, toxic or explosive properties.
 - d. "Nuclear facility" means:
 - (1) Any "nuclear reactor";
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing "spent fuel"; or
 - (c) Handling, processing or packaging "waste",



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM
STANDARD PROPERTY COVERAGE FORM
UMBRELLA LIABILITY PROVISIONS

A. Disclosure Of Federal Share Of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for a portion of such insured losses, as indicated in the table below that exceeds the applicable insurer deductible:

Calendar Year	Federal Share of Terrorism Losses
2015	85%
2016	84%
2017	83%
2018	82%
2019	81%
2020 or later	80%

However, if aggregate industry insured losses, attributable to "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, as amended (TRIA), exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

B. Cap On Insurer Liability for Terrorism Losses

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of federal Terrorism Risk Insurance Act, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

C. Application Of Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Pollution Exclusion, Nuclear Hazard Exclusion and the War And Military Action Exclusion.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - UNMANNED AIRCRAFT (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

A. The following changes are made to Section B.1., EXCLUSIONS:

1. Paragraph g., Aircraft, Auto or Watercraft, is deleted and replaced with the following:
- g. Aircraft, Auto or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph g.(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph g.(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or

entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

Paragraph g.(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 51 feet long; and
 - (ii) Not being used to carry persons for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (e) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Section G Liability and Medical Expenses Definitions, Paragraph 15 f.(2) or f.(3) of the definition of "mobile equipment"; or
- (f) An aircraft (other than unmanned aircraft) that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

2. The following is added to Section B.1., EXCLUSIONS Paragraph p., Personal and Advertising Injury:

Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - UNMANNED AIRCRAFT (PROPERTY)

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

A. COVERAGE

Paragraph A.2., Property Not Covered, Subparagraph a. is deleted and replaced with the following:

- a. Aircraft (including "unmanned aircraft"), automobiles, motor trucks and other vehicles subject to motor vehicle registration.

C. DEFINITIONS

The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Unmanned aircraft" means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture

to be controlled directly by a person from within or on the aircraft and which is owned by you or owned by others but in your care, custody, or control.

"Unmanned aircraft" includes equipment designed for and used exclusively with the "unmanned aircraft", provided such equipment is essential for operation of the "unmanned aircraft" or for executing "unmanned aircraft operations".

2. The following definition is added:

"Unmanned aircraft operations" means your business activities in support of the specific operations listed in the Description of Business section of the Declarations.

POLICY NUMBER: 44 SBA TI8966



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - MANAGER/LESSOR

CROWN PROPERTIES AND
CROWN TWO PENN CENTER ASSOCIATES
1500 JFK BLVD.
PHILADELPHIA, PA 19102

- b. 30 days before the effective date of cancellation if we cancel for any other reason.
- 4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. CONTRACT OF SALE

- 1. The Loss Payee shown in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
- 2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and

- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- 3. The following is added to the OTHER INSURANCE Common Policy Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.



Named Insured: RHONDA HILL WILSON, ESQUIRE

Policy Number: 44 SBA TI8966

Effective Date: 06/16/19 **Expiration Date:** 06/16/20

Company Name: HARTFORD CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.